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Session 1
The rise of Asia and the future of aid

In 1990, more than half the population of Asia was living in extreme poverty. By 2015, it will be less than 10 per cent. Instead of almost one billion Asians existing in extreme poverty, the number will be down to around 160 million. In the Pacific island countries, development progress has been much slower and many people face chronic poverty of opportunity. What does the changing face of poverty in the Asia-Pacific mean for the future of aid? And with Asia the source of 60 per cent of the world's growth by 2015, what role will it play in addressing poverty?

Background

Development progress in Asia and the Pacific

The international development landscape has changed dramatically over the past two decades. The Asia-Pacific region has played no small part in this, and will continue to be a driving force in the years to come. To illustrate, in 1990, nearly half the world's population (43.1 per cent) lived on less than $US1.25 a day, the World Bank's frequently-cited indicator of "extreme poverty." At the time, the Asia-Pacific was home to more than 80 per cent of that group, as well as the largest recipient of foreign aid in history, India, which received a total of $US55 billion from 1951 to 1992.

Two decades later, the landscape is different in many dimensions. The Millennium Development Goal of halving extreme poverty around the world has been achieved five years ahead of schedule, thanks largely to East Asia. China alone has lifted more than 500 million people out of extreme poverty. Although South Asia as a sub-region has not had the same success in terms of reducing absolute poverty rates, India, like China, has emerged as one of the world's biggest economic players. Asia is on track to boast four of the 10 largest economies in the world (China, India, Japan, and Indonesia). The OECD estimates that China's GDP will reach 28 per cent of global GDP by 2030, and that India's will climb to 11 per cent.

At the same time, middle-income countries now account for around 70 per cent of the world's poor, compared with less than 10 per cent two decades ago. This fact has prompted an increasing interest in inequality within countries, particularly in the context of the work of the UN High-Level Panel on the Post-2015 Development Framework—but it has also created some policy consternation among traditional donors, whose resource allocation policies are built around poor countries, not poor people.

The changing face of aid

With a number of Asia's aid recipients achieving higher levels of income and increasingly driving the global economy, traditional donors are reconfiguring their aid programs. Many are struggling to justify to domestic constituents that they are truly using aid to reduce poverty, especially in light of the global financial crisis. Following a protracted public debate, the United Kingdom is ending its aid program to India in 2015 and has already ended aid to 16 countries that "no longer need it," including China. Indeed, aid from traditional donors to Asia fell from $US45 billion in 2005 to $US25 billion in 2010, and only a handful of OECD Development Assistance Committee (DAC) donors, including the UK and Australia, are currently expanding their aid programs at the global level. Global aid has fallen by six per cent since its high point in 2010. The OECD expects a further decline in aid levels through 2015.

Meanwhile, many non-DAC countries are rapidly scaling up their development assistance and cooperation activities. A number of the most visible programs are based in the Asia-Pacific. In spite of ongoing international debate over what constitutes "aid," China is now considered a net donor rather than a net recipient. According to the country's first White Paper on the subject, released in 2011, China's financial resources dedicated to foreign aid increased by an average of 29.4 per cent per annum from 2004 to 2009. India and Indonesia are also expanding their assistance programs, with India launching its new agency, the Development Partnership Administration, in 2012. Assistance from non-DAC countries that report to the DAC has more than tripled over the past decade, from $US2.4 billion in 2000 to $US7.3 billion in 2010. On a conservative estimate, total aid from non-DAC sources is probably at least $US10 billion per annum, though it could be several times that amount. These figures may appear small in comparison to aid from traditional sources, which peaked at more than $128 billion in 2010. Yet non-DAC contributions are expected to increase very rapidly and could account for at least $US50 billion in aid or aid-like flows by 2025.

While aid from all sources has shown healthy growth over the last decade or so, at least up to 2010, private flows to developing countries grew much more in importance. Foreign direct investment and remittances, in particular, were both about half the size of global aid in 1990 but are now, taken together, about eight times larger. Migrants' remittances to developing countries, which have proven to be much more resilient to global economic downturns than other flows, are expected to reach a level of more than $400 billion in 2012 and half a trillion dollars by 2015. Foreign direct investment is even larger, at around $600 billion in 2012. By some estimates, private philanthropic flows have grown from a very low base in 1990 to more than $50 billion per annum now. Against this background, traditional aid begins to look rather diminutive.

This growth in private flows and in aid from "emerging" donors is already creating tangible shifts in global thinking about the nature, objectives, and utility of aid. Although each country and aid program has its own individual characteristics, emerging Asian donors share an emphasis on mutual benefit and make explicit linkages between their development cooperation initiatives and foreign policy objectives. They are certainly not unique in this regard, as traditional donors are also facing increasing pressure to justify aid to their electorates by more clearly stating the connections between aid and national interests. Emerging donors, however, have generally been more forthright about their pursuit of mutual benefit, and more likely to define that benefit in mercantile terms.

One way in which this mercantile element is expressed is through the blending of financing mechanisms, which encompass traditional grant aid, lines of credit, concessional loans, trade, investment, and technical cooperation. This blending has been controversial and has prompted questions about the boundaries of "aid." Nevertheless, some suggest that by 2025 bilateral trade interests will be "powerful and transparent determinants of 'development' cooperation for most countries." Emerging Asian donors will have played an important role in this development.

Furthermore, emerging donors are changing the nature of international cooperation relationships themselves. Typically referring to themselves as South-South cooperation partners or providers, rather than as "donors," most emerging Asian donors eschew traditional, vertical donor-recipient relationships in favour of horizontal partnerships. In line with this philosophy, they emphasize knowledge exchange and technical cooperation. They focus particularly on infrastructure for growth and on the productive sectors in partner countries, reflecting their own development trajectories and experience—and also maximising mutual benefits.

Mixed reactions

The developments described above have met with mixed reactions. On the one hand, an expanded array of financing and cooperation mechanisms gives more latitude to countries in need of assistance. Also, many applaud emerging Asian donors' faster response time, often a result of fewer conditionalities, and note that the opportunity for developing countries to share knowledge and experience greatly amplifies the value of any associated financial transactions.

On the other hand, many observers fear that lack of adherence to the norms and standards of aid effectiveness which have been established over time by the DAC will have deleterious effects in areas such as governance, transparency, participation, efficiency and sustainability. For example, China's political non-interference policy has sparked controversy over aid it has provided to "rogue" regimes in the Pacific and Africa. Furthermore, some question whether South-South cooperation partnerships are truly horizontal, suggesting that emerging donors are simply entering into new vertical relationships, either in competition with, or in the absence, of traditional donors.

Regardless of where one stands in this debate, what is clear is that aid is not simply aid: it reflects and shapes the regional and global economic, social, and political order. As countries that were until very recently substantial aid recipients become central drivers of the global economy, and quickly scale up their own aid efforts, several questions call for further discussion, as set out below.

Questions

1.What, if any, is the role for aid as we know it in the middle-income countries of fast-growing Asia?

Studies such as the Asian Development Bank's Asian Development Outlook 2012 indicate that the looming challenge throughout the Asia-Pacific region is now rising inequality—both of income and opportunity. Need has not been eliminated, but its nature has changed. What are the implications of this for the structure and "marketing" of aid programs?

2.What should be Australia and the region's strategy for addressing persistent poverty in fragile states and low-income countries.

The Asia-Pacific is a large and disparate region. East Asia has for the most part demonstrated very impressive reductions in absolute poverty, while South Asia's poverty numbers have increased. The Pacific stands out as a sub-region facing increasing challenges, with Papua New Guinea's absolute poverty rate having increased since 1990. Traditional aid still plays a major role in the region's fragile, conflict-affected and low-income countries and is likely to do so for some time. Should aid increasingly be concentrated in this latter group of countries, or are their interests better served by support for the growth and integration of the region as a whole? What policies beyond aid will be most effective in meeting their needs?

3. What is the actual and potential contribution to development of the Asia-Pacific's emerging donors.

Are the emerging donors, or South-South cooperation providers, merely replacing old vertical donor-recipient relationships with new ones, or does the concept of a horizontal partnership have real meaning and development value? Are emerging donors particularly well-placed to provide certain forms of assistance more efficiently and/or effectively than traditional donors? What exemplary cases and cautionary tales exist? Are remittances and philanthropic flows likely to become powerful forces for development in this region?

4.How can traditional and emerging donors work together?

Broadly speaking, non-traditional donors focus their development cooperation programs more on infrastructure and the productive sectors, and traditional donors focus more on governance and social sectors such as health and education. Is there scope for closer on-the-ground cooperation between traditional and emerging donors, which builds on this broad complementarity? Are there positive experiences on which to build? Are DAC norms and standards ever likely to be relevant to the emerging donors, or can other ways be found to encourage convergence on norms and standards with respect to aid effectiveness?

Session 2
Dealing with common challenges: aid and international public goods

The scale of Asia's growth over the coming decades will make it the world's biggest economic zone, increasingly able to address its own poverty challenges. However, Asia and the Pacific are also at the centre of an array of global challenges—most notably the challenge of dangerous climate change—that pose serious threats to development progress. The region's emerging economies will need to play a major role to play in meeting these challenges, in partnership with traditional donors. The prospects of the poorest and most vulnerable countries of the region will in large part depend on the success of those joint efforts.

Background

International public goods for development

The most serious problems that developing countries face—including climate change, water scarcity, communicable diseases, volatility in international food prices, energy and financial markets and the depletion of common-pool resources such as fisheries—are increasingly international in nature. World Bank President Jim Yong Kim recently gave this stark account of the risks to developing countries of global inaction on the pre-eminent global problem:

If we don't act now to curb dangerous emissions, by the end of this century the average global temperature will increase by 4 degrees Celsius … In a 4-degree-world, sea levels would rise by as much 1.5 metres, putting more than 360 million city dwellers at risk. Drought-affected areas would increase from 15 per cent of global cropland today to around 44 per cent, with sub-Saharan Africa especially hard-hit. Extreme weather events would occur with devastating frequency, with untold costs in lives and dollars. And it is the poor, those least responsible for climate change and least able to afford adaptation, who would suffer the most.

The rapid growth of emerging economies, on top of historical growth in the developed countries, is placing ever-increasing pressure on the global commons and hastening the spread of cross-border challenges. Such challenges affect entire regions or, in some cases, the whole world. Dealing effectively with these regional and global challenges requires the creation of international public goods—which are accessible to affected countries without restriction or rivalry. In most cases this requires international collective action, often facilitated by global or regional institutions.

There was extensive discussion during the decade to 2007 about the development relevance of international public goods. The topic became less prominent with the advent of the global financial crisis but work continued on several aspects of it, including the role of multilateral development financing institutions in addressing global and regional public goods , options for mobilizing finance for such goods and the effectiveness of existing global mechanisms in supporting their provision . Discussions about international public goods, and the role of aid and development agencies in supporting their provision, are again becoming prominent, as OECD aid budgets shrink, more countries graduate to middle-income status, the concessional financing arms of the multilateral development banks ponder their future, and discussions proceed on how to finance action in developing countries on climate change—including through the new Green Climate Fund.

Aid and international public goods

Global issues are making increasing calls on both official and philanthropic sources of development finance. It has been estimated that, in the early 2000s, perhaps more than a quarter of the world's official aid was already being spent on the provision of international public goods. With subsequent allocations for climate change mitigation, including large contributions to the multilateral Climate Investment Funds, as well as the rise of "vertical funds" in the health sector, one might expect this share to have increased further.

At the same time, traditional donors' planning and resource allocation processes revolve, for reasons of aid effectiveness, primarily around the needs of individual partner countries. Their concept of aid effectiveness has at its core the concepts of "ownership" (of development programs by countries) and "alignment" (of development programs with national priorities). The same is true of the major multilateral development financing institutions, the World Bank and the regional development banks. Emerging donors, for different reasons, give even more priority to the expressed needs of individual partner countries, often characterising their aid as request-based and as a vehicle for developing bilateral economic relationships. Some UN funds and programs, including newer financing vehicles such as the Global Fund to Fight AIDS, Tuberculosis and Malaria, are more able to tackle global issues outside country programming frameworks, and some significant private donors—most notably the Bill and Melinda Gates Foundation—are now providing generous support for their efforts. However, these funds and programs struggle to obtain adequate and predictable financing, and tend to be the first to suffer when, as now, bilateral aid budgets decline.

The bilateral bias of aid is not the only problem. There is also a serious deficit of strategy and organization in the multilateral domain. Global issues are at present dealt with in a piecemeal fashion by an ad hoc network of multilateral trust funds, programs and partnerships, mostly run or assisted by the World Bank in one way or another. This network has grown organically, often in response to surges of interest in particular issues on the part of specific donors, or donors generally. It lacks an overarching strategy. Moreover, it is very difficult to discern any logic in the allocation of resources to elements of this network by bilateral donors. A partial exception to these observations is the Consultative Group on International Agricultural Research (CGIAR), which sets priorities for, and allocates resources to, 15 global research organisations. However, given the high returns to investment in agricultural research, it can still be questioned whether donors are providing adequate funding to the CGIAR system as a whole. The landscape of global health agencies, funds and programs is notoriously crowded, complex and competitive.

For a number of reasons, increasing further the volume of aid spent on global issues, or even just increasing the visibility of existing spending, could prove contentious for traditional bilateral donors. First, most international public goods, by their nature, do not confine their benefits to developing countries. Spending aid on such goods muddies public messaging that aid targets the poor. Second, countries facing intense domestic challenges often do not assign high priority to international public goods. It is therefore rare to see bilateral aid used to help a developing country contribute to outcomes beyond its borders. Third, and as noted above, the newly emerging donors allocate resources almost exclusively to bilateral partnerships, favouring mutual benefits over global benefits. Even if traditional donors do not revert to a mutual benefits rationale (as some are now doing), they now have to compete more strongly for influence and impact at the bilateral level. Fourth, and not least, quick and effective action on many global challenges is likely to involve the provision of subsidies as incentives to emerging economies—that is, the provision of aid to better-off developing countries. This again muddies public messaging.

Emerging economies as part of the solution

Emerging donors, as noted above, tend to use aid for mutual benefit rather than the general benefit, and tend not to be major contributors to the multilateral funds and programs that are the principal sources of finance for international public goods. In addition, their rapid growth, like past growth elsewhere, generates or exacerbates international public "bads". However, that same growth also creates a large potential for emerging economies to contribute to the provision of the corresponding public goods by altering development trajectories. In addition, it brings into being a large middle class that, even while consuming much greater quantities of resource-intensive goods, might be increasingly inclined to call on their governments to help tackle global issues. The global middle class (all those consuming PPP$10-100 per day) is set to double between 2010 and 2025, to four billion. On one measure, the Asia-Pacific's share of global middle class spending will increase from 24 per cent in 2010 to something like 45 per cent over the same period.

The potential for emerging economies to contribute to solutions to global challenges will in large part be realized, not through their own aid programs, but through their domestic policy measures, supported in some cases by international aid from traditional official donors, and philanthropic sources. For example, the countries of emerging Asia are making, generally for domestic reasons, large contributions through domestic policy measures to climate change mitigation, particularly through the adoption and aggressive prosecution of green growth policies.

Other international public goods are being provided through regional policy coordination. Where there are mutual interests at stake, policy coordination between emerging economies and other countries can have powerful impacts in areas such as financial sector stability, energy efficiency and the sustainable use of marine resources. Here the bargain is most often made between emerging economies and other emerging economies or poorer countries, for example currency swap or food swap arrangements, or the Coral Triangle Initiative, though external facilitation generally figures to some extent.

Still other international public goods are being provided by single countries, drawing on their unique capacities. An example here is the role of the Serum Institute of India in manufacturing the MenAfriVac vaccine for the Meningitis Vaccine Project, a public-private partnership for development, at a final cost of less than fifty cents per dose. The capacity to do this kind of thing arises from high levels of investment in training and R&D, combined with low manufacturing costs and public financing from developed countries.

Financing

There is a quite pervasive belief in many quarters that for either moral or political reasons one should not use aid, in the sense of international financing for poverty reduction, to subsidise action by developing countries—especially middle-income countries—on globally important issues. Where particular goods benefit poor countries almost exclusively (as in the case of drugs for neglected tropical diseases), there is no problem. But for most international public goods, and in particular those that depend heavily upon action by emerging economies, the conclusion most commonly reached is that financing for such goods should be separate from and additional to aid. In the case of climate change financing, for example, this stricture was written into the Copenhagen Accord and subsequent Cancun Agreements, though largely ignored in practice. In addition, it has often been suggested that this separation between the two financing streams should be achieved at the point of resource mobilization, for example by taxing certain international transactions, particularly those associated with global public bads, in order to fund the provision of global public goods.

However, another conclusion is also sometimes reached – that the existing concept of aid should simply give way to a concept such as "international public finance", which would cover financing for both national development and international public goods and, by implication, permit significant investment in emerging economies. Some believe that this shift is inevitable as more low-income countries graduate to middle-income status, particularly in Asia. It is sometimes suggested, for example, that the World Bank's concessional lending arm—whose client base is dwindling —should cease to be a fund for poor countries and instead become a financing mechanism for international public goods. Some also believe that such a shift could help buttress support for international public finance by emphasising mutual benefits in a non-commercial way. However, the latter proposition is untested, and it is far from safe to assume that public support for aid would be unaffected by this conceptual and practical transition from financing for poverty reduction to financing for international public goods.

If aid did come to be perceived in the way just indicated, as international public financing, one possible benefit is that emerging economies would see good reason to increase their contributions to multilateral funds and programs—not because they would expect to get all their money back, but because their access to the resources in question wouldn't be ruled out by fiat. This would automatically increase their participation in the governance of these funds, which could in turn increase their willingness to accept resources on harder terms, or eschew assistance, in order to free up additional resources for poor countries. And this would round out their overall contribution to the production of international public goods, thus enhancing their international citizenship.

Global governance

From the above it is evident there is a tangle of issues about financing the provision of international public goods and particular about using aid to subsidise action on international public goods by emerging economies. There is the conceptual problem mentioned just above. There is the chaotic terrain of funds, programs and partnerships targeting various international public goods and attracting donor resources somewhat at random. And there is the rigidly country-oriented nature of much bilateral and multilateral funding, which limits both the resources available for international public goods and the capacity of fund-holders to allocate resources where they can be used most efficiently and effectively.

Certainly there are discussions in various quarters about some of these things, but those discussions are disconnected. IDA deputies – that is, the donor representatives who negotiate contributions to the World Bank's concessional financing arm, the International Development Association – increasingly fret about the future of IDA. Donors fume about the proliferation of multilateral trust funds. Eminent persons' groups and commentators blithely call for new and additional funding for international public goods or for the complete abandonment of the traditional aid construct. A number of these issues will come to the fore during negotiations for the next replenishment of IDA , now under way, and in the report of the UN High-Level Panel on the post-2015 development agenda, due in mid-2013. However, the only forum in which these issues can obviously be discussed in a connected way is the G20.

The G20's central function is to promote global economic stability and prosperity, the pre-eminent international public good. In addition, one can conceive most aspects of its existing development agenda, to which not only the traditional donors but also major emerging donors are party, as contributing in one way or another to the production of international public goods for development. Moreover, the G20 has a de facto role as a sort of board of boards for the international financial institutions, who between them manage the bulk of the resources available for facilitating the production of international public goods. In practice, the G20's development agenda lacks strong organising principles and regularly veers toward G8-style aid initiatives and UN/OECD-style aid effectiveness debates. However, it can be argued that an increased emphasis within the G20 development agenda on the delivery of international public goods would be both useful in itself and beneficial in organising and focusing the agenda.

Questions

1.Should aid budgets be financing international public goods?

Does this require a wholesale shift away from the country-focused business model of most aid programs? Does the concept of aid need broadening, and can this be done without loss of public support? Should aid be used to finance the provision of incentives to emerging economies to contribute to the production of international public goods? Do other proposals for financing international public goods have any realistic prospects?

2.What are the highest-priority international public goods in Asia and the Pacific? What are the pre-eminent international public bads in our region?

What are the pre-eminent international public bads in our region? Which countries or sub-regions have the most to gain as consumers of international public goods? Which countries and sub-regions have most to offer as producers? What are likely to be the most effective channels for promoting the provision of high-priority international public goods in the region?

3.How can global and regional institutions play a more effective role in the provision of international public goods?

Is there a greater, or entirely new, role for the concessional financing arms of the World Bank and the Asian Development Bank in this area? Should measures be taken further to strengthen regional and sub-regional organisations in Asia and the Pacific, or should priority be given to influencing national policies and institutions?

4.What measures should be taken to place donor support for international public goods on a more strategic basis at the global level?

How can the World Bank's suite of global programs and partnerships be made more coherent, strategic and effective, and less driven by donor's resource allocation decisions. By what means can greater coordination and complementarity between multilateral funds and programs be achieved, particularly in the areas of health and climate change? Is there a role for the G20 in the governance of global efforts to ensure the provision of international public goods for development?

Session 3
The evolving international development agenda

In the years since the Millennium Development Goals were agreed, participants in the international development debate have expanded to include a plurality of actors ranging from aid recipient countries, traditional donor countries and multilateral organisations through to the emerging economies, major philanthropic organisations, private sector bodies, universities and think tanks, and civil society organisations. This expansion makes it difficult to achieve consensus as competing and sometimes conflicting interests compete for attention and dominance. What impact will this have on the global effort to reach agreement on a post-2015 development framework?

Background

From exclusiveness to pluralism

In a recent interview with The Guardian's "Poverty Matters" blog, the chief architect of the Millennium Development Goals, Mark Malloch-Brown, recalls the "relative casualness" of the small team working in the basement of the UN in New York which drafted the framework that would shape international development policy for the next 15 years.

For better or worse, those days of exclusivity and casualness are well and truly gone. In the years since the Millennium Development Goals were agreed, participation in the international debate on development has expanded enormously. In addition to the original actors—recipient countries, DAC donor countries and multilateral organization—we now have emerging economies, international non-government organisations and a range of other civil society organisations, think tanks and universities, major private philanthropic organisations, and development-oriented business bodies.

This expansion has forced the traditional development community to open up their discussions to ensure that debate is, and is seen to be, inclusive, and that decisions are made transparently. An example of this can be seen in the way that DAC-initiated aid effectiveness forums have in a decade burgeoned from small meetings of a hundred or so like-minded donor representatives to major international gatherings of 3,000 or more people, bringing together disparate and at times opposing views. At the same time, the number of multilateral and international processes guiding international development has multiplied, and a plethora of cooperative structures has been created to take the development agenda forward. This new pluralism, while laudable from some perspectives, creates major challenges for the international community as it seeks to negotiate an appropriate international development framework to succeed the Millennium Development Goals.

The post-2015 process

While the MDGs are arguably former UN Secretary-General Kofi Annan's development legacy, his successor, Ban Ki-moon, is setting his stamp firmly on the post-2015 development agenda. He has put together a high-level 27-member high-level panel co-chaired by UK Prime Minister David Cameron, Liberian president Ellen Johnson Sirleaf and Indonesian President Susilo Bambang Yudhoyono to advise him on the post-2015 agenda. Also on the panel, whose final report is due in mid-2013, are government and private sector representatives as well as academics and members of civil society organisations. Emilia Pires, finance minister of Timor-Leste and chair of the 19-member "g7+" grouping of fragile states, speaks for the interests of the latter group.

Also feeding into this process are the outcomes of last year's Rio+20 Summit on Sustainable Development, which included an agreement to develop global "sustainable development goals" (SDGs) aimed at improving global environmental management, protecting the oceans, improving food security and promoting a green economy. An SDG working group set up after the summit is working in parallel with the Secretary-General's high-level panel. While this is a complex process that risks duplicating effort or, worse, developing irreconcilable approaches, the UN's Special Adviser on post-2015 development planning, Amina Mohammed, has said that the high-level panel and the working group on sustainability are working with a shared secretariat toward "one development agenda". In addition, the coherence of UN inputs into the process is assured by a UN system-wide task team established in 2011 and co-chaired by the Department of Economic and Social Affairs and the UN Development Programme. This, in another example of modern pluralism, brings together representatives from over 50 UN entities.

Further, there is an ambitious effort to reach beyond even the current, expanded international development community in order to seek the views of poor people directly via an internet-based survey, MY World. MY World is a partnership between UNDP, the UN Millennium Campaign, the UK-based Overseas Development Institute and the World Wide Web Foundation. In their own words, it is a UN global survey for citizens that aims "to capture people's voices, priorities and views, so world leaders can be informed as they begin the process of defining the next set of global goals to end poverty." Quite clearly, there is no longer any place for the small anonymous drafting team squirrelling away in a UN basement.

Aside from the UN-led work, other international non-UN structures and processes are feeding into thinking about the post-2015 agenda. Of these, the most significant are the G20, which Australia will chair in 2014, and the Global Partnership for Effective Development Co-operation which was formed at the 2011 Busan High-Level Forum on Development Effectiveness. In addition, there are a range of very active civil society initiatives and coalitions including most notably Beyond 2015, a global campaign bringing together more than 570 civil society organisations. In addition, the heads of the international financial institutions – the African Development Bank, the European Bank for Reconstruction and Development, the Inter-American Development Bank, the International Monetary Fund and the World Bank Group have pledged strong support for, and close collaboration with, the UN-led post 2015 process.

Options for a post-2015 framework

Although Ban Ki-moon has made clear his preference for a new set of sustainable development goals to underpin development policy post-2015, there are numerous other options being debated which entail various additions to or modifications of the existing MDGs. There is a strong push to keep poverty at the heart of any succeeding goals, with a possible goal of getting poverty effectively to zero by 2030. Some advocates for poverty-centred goals, for example Bill Gates, are hostile to the importation of new goals, particularly environmental ones. There are also strong pushes to incorporate human rights, inequality and possibly goals relating to peace and security. There is a variety of views about the inclusion of governance-related goals, and also goals relating to infrastructure provision, which some see as not particularly inspirational, and as describing means rather than ends. Prime Minister Cameron, whose role in developing the new agenda is not insignificant, wants the emphasis to be on the "golden thread" of development. On this view, development is about much more than aid. It requires stable government, human rights, the rule of law, transparent information and lack of corruption.

A consortium of organisations led by Canada's Centre for International Governance Innovation and the Korea Development Institute has developed, through wide consultation, a set of goals known as the Bellagio Goals. The goals proposed, together with related targets and indicators, relate to inclusive growth, food and water, education and skills, health, gender equality, environmental sustainability, security, resilient communities, infrastructure, civil and political rights and global governance. The underpinning philosophy is that the global community should do more than meet basic human needs and "promote dynamic, inclusive and sustainable development. ….. The new goals should not only provide for basic human needs but also ensure essential human rights and create enabling conditions to help individuals realize their potential."

In a paper released by ODI in October last year, Claire Melamed argued that there was broad consensus for ending poverty to be at least part of the objective for any new post-2015 agreement, "and in doing so, to finish the job set out in the UN Millennium Declaration". Speaking at last October's IMF/World Bank annual meetings, World Bank president, Dr Jim Yong Kim, urged that the next set of MDGs should take into account the lessons learnt from the current framework and be a catalytic force for transformation in developing countries and for the empowerment of the poor. He said there were four key issues to be considered in going forward: the multifaceted nature of poverty; the need to give greater attention to equity; multisectoral solutions; and a comprehensive framework to include all individuals and all countries. He announced subsequently, in April 2013, that the World Bank Group has pre-emptively adopted the goal of ending extreme poverty by 2030, though he stressed that this was a goal for all Bank member countries to achieve, with the support of the global community.

What does this mean for the Asia-Pacific?

At the heart of the MDGs is the goal of eradicating poverty. One of the success stories of the MDGs is that for the first time since poverty trends began to be monitored, the number of people living in poverty began to fall in every developing region. The proportion of people living on less than $US1.25 a day fell from 47 per cent in 1990 to 24 per cent in 2008. However, behind these figures is the reality that the spectacular success in reducing poverty was achieved in East Asia—where extreme poverty has fallen to 13.8 per cent of the population. In numbers, this represents a drop from just under one billion people living in extreme poverty in 1990 to 284 million in 2008. As East Asia continues to drive down regional poverty at a remarkable rate, one might question the relevance to the region of any globally inclusive set of development goals which have poverty eradication at their core.

As noted in section 1, four of the world's 10 largest economies will be in Asia by 2025. Asia will account for almost half of the world's economic output and China for about half of that. Furthermore, the combined output of China and India is expected to exceed that of the whole Group of Seven (US, UK, France, Germany, Italy, Canada and Japan) by the early 2020s. Australia's Asian Century White Paper notes that in 1980, income per capita in developing countries in Asia was about one-thirtieth of that in the USA. By 2025, the gap will be down to one quarter owing to increased economic opportunities, improved health care and better access to quality education.

At the same time, the countries of the Asia-Pacific face some major domestic, regional and global challenges, relating in some cases to the international public bads discussed in the previous section. Goals encouraging collective action, and in some cases regional leadership, to meet these challenges are likely to be more relevant to many countries of the region than poverty-oriented goals. Goals and targets relating to reducing inequality and strengthening social protection, however measured, are also likely to resonate.

The Pacific island countries are in a different case. They have struggled in their efforts to meet MDG targets. During a post 2015 Pacific consultation workshop organised in September 2012 by UNDP, ADB and ESCAP in cooperation with the Pacific Islands Forum Secretariat, it was recognized that the region's collective results had been slow and uneven. The workshop, which brought together government officials and civil society from the 14 developing member countries of the Pacific Islands Forum, concluded that in the post-2015 framework, there should be recognition that no one-size-fits-all strategy will work for the Pacific countries. They will want poverty-oriented goals and targets, but with flexibility to tailor these to their particular circumstances. They will also want goals and targets relating to international public goods, including climate change mitigation and sustainable management of the world's oceans.

The challenge ahead

Achieving a global development framework that resonates with countries as vastly different as China and Tuvalu is not the only challenge ahead. The post -2015 debate in taking place in a very crowded and dynamic space, in which the various actors' views are quite context-specific, and sometimes irreconcilable.

Some actors want the goals to be broad-brush and inspirational so as to buttress public support for aid; others want them to be a full and accurate reflection of the barriers they face in achieving sustainable development; others want them to be contractual in nature, placing a range of obligations on developing countries, developed countries and multinational corporations, including the obligation on developed countries to ensure "means of implementation"—that is, adequate financing. In addition, some actors want to use the negotiating process to pursue outcomes that are highly unlikely to be achieved, particularly in relation to political legitimacy and participation, but also in relation to a variety of specialised issues.

Finally, there is the expectation, encouraged by the inclusive nature of the debate and facilitated by the growth of social media, that these varying views and priorities will all somehow be accommodated. It will be a great challenge indeed to arrive at a framework that serves the twin purposes of facilitating communication about the aims and achievements of all countries' development efforts, and providing a practical framework for structuring and taking forward those efforts at the national level. In the Asia-Pacific, in contrast to Africa, the challenge is made even greater by the very success of past development efforts.

Questions

1.What is the continuing relevance of international development goals and targets in a post-2015 Asia-Pacific?

As the importance of international public financing for development declines in the region, do internationally-negotiated development goals also become less relevant? Or do they become less relevant as frameworks for aid, but more relevant as frameworks for national development programs? Are governments in the region, and particularly those of emerging economies, likely to find any practical uses for a post-2015 development framework?

2.What should be the highest-priority goal areas for the Asia-Pacific region?

Should ending poverty remain the centrepiece of the new goals? What weight should be placed upon reducing inequality and increasing social inclusion, and what targets and measures could be used in this connection? How prominent should international public goods be, and in particular should there be a target related in some way to effective action on climate change? How should the particular needs of fragile and conflict-affected states be reflected?

3.What further process will be most effective, between now and 2015, in ensuring that the most important needs and aspirations of the most relevant actors from this region are reflected in a coherent way in the post-2015 development framework?

Are existing, UN-led consultation processes relevant and effective in eliciting accurate and coherent views about the process, from both governments and citizens? Do these processes effectively engage the critical players, including the emerging donors and the governments of fragile and conflict-affected states? What principles might assist in deciding what elements should and should not ultimately be reflected in the post-2015 framework?

4.What role should global and regional forums, including the G20 and the Pacific Islands Forum, play in advancing discussions on the post-2015 development framework, and engaging emerging economies fully in those discussions?

Can organized global and regional groupings such as the G20 and the Pacific Islands Forum play a useful role in clarifying principles and filtering proposals in relation to the post-2015 goals? Is it possible to engage the major emerging economies more fully in the post-2015 process through the G20? How can the latter body express broad views on the direction and possible outcomes of the post-2015 process without appearing to usurp the role of the UN?